



# Green and Resilient Retrofit Program (GRRP)



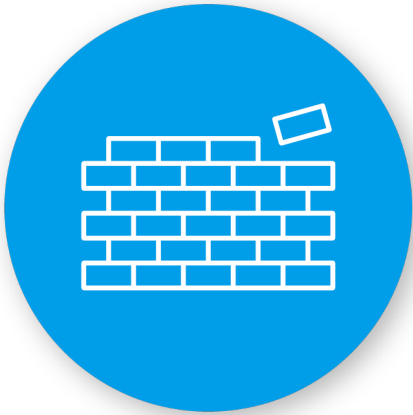
# GRRP Program Overview



- **\$837.5 million** and up to **\$4 billion** in loan authority provided through the Inflation Reduction Act (IRA)
- GRRP is designed to fund retrofits to make properties more energy efficient, climate resilient, and healthy for residents through:
  - Carbon emission reduction
  - Enhanced energy and water efficiency
  - Energy and water benchmarking
  - Improved indoor air quality
  - Climate resilience upgrades
  - Building electrification
  - Zero-emission electricity generation
  - Energy storage
  - Low-emission building materials or processes

# GRRP Awards: 3 Different Cohorts

Three award paths, or “cohorts,” take different approaches supporting properties based on stage of recapitalization, owner greening expertise, and property needs.



## 1) Elements Awards

Modest awards for specific items

Max: \$750K per property / \$40k PU



## 2) Leading Edge Awards

Larger awards for ambitious certifications

Max: \$10M per property / \$60K PU



## 3) Comprehensive Awards

Largest awards for properties with highest need

Max: \$20M per property / \$80K PU



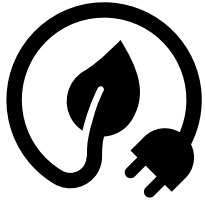
# Who can apply for GRRP funding?

Owners or Purchasers of a property in one of the following HUD Multifamily Assistance programs:

- Most Project-Based Rental Assistance (PBRA) HAP Contracts
  - Including RAD PBRA HAP contracts executed on or before September 30, 2021
- Section 202 Direct Loans or Capital Advances
  - Including those anticipating a RAD conversion
- Section 811 Capital Advances or PRA contracts
- Section 236 properties still receiving Interest Reduction Payments (IRP)
- Other small programs listed in in Section 3 (Eligibility Information) of the NOFOs available on [hud.gov/GRRP](https://www.hud.gov/GRRP)



# What does GRRP pay for?



## Utility Efficiency

Energy Star 7.0 windows  
Electrical upgrades  
WaterSense fixtures  
HVAC and water heater heat pumps  
Efficient ovens and clothes dryers  
Air-seal testing  
Insulation  
Heat or Energy Recovery Ventilators



## Climate Resilience

Clean backup power  
Emergency shelter  
Emergency water access  
Storm shutters  
FORTIFIED certification  
Green or blue roof  
Floodproofing  
Permeable pavement  
Subsurface stormwater storage  
Wind- and impact-resistant windows  
Rainwater/greywater collection systems  
Fire resistant roof, windows, & fencing



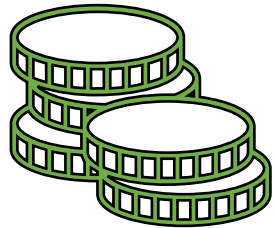
## Carbon Reduction

Rooftop or carport solar  
Wind energy generation  
Geothermal energy generation  
Renewable energy storage  
Electric Vehicle charging stations  
Responsibly sourced raw building materials

**And more, including  
soft costs.**

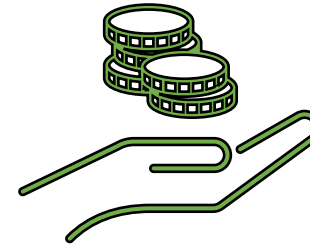
# GRRP Award Types

Will provide funding to Owners in the form of a grant or surplus cash loan



## Grants:

- Affordability restriction – 25 years
- No repayment needed if terms are met

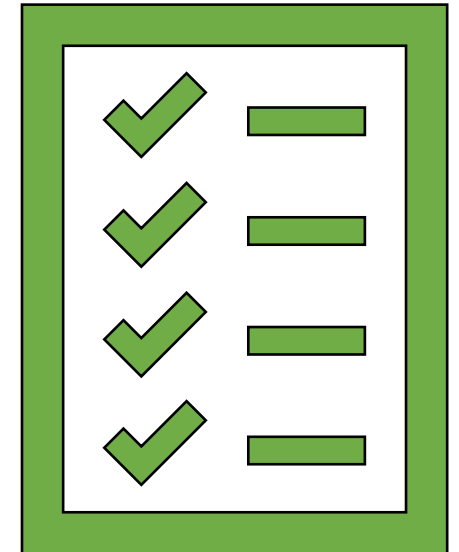


## Loans:

- Affordability restriction – 15 years
- Payment – 50% of annual surplus cash paid to HUD (25% for *Elements projects*)
- Term – longer of first mortgage loan term or 15 years
- Interest – 1%

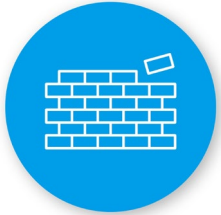
# General GRRP Award Requirements

- ✓ Follow all required application and closing deadlines
- ✓ Follow resident notification, meetings, and rights requirements
- ✓ Create a property-specific disaster preparedness plan
- ✓ Participate in utility consumption benchmarking
- ✓ Extend project affordability commitment
- ✓ Complete a post-construction cost certification
- ✓ Follow Build America Buy America guidelines (unless exempt) and Section 3 employment opportunities for low-income persons; as well as Davis-Bacon for Leading Edge and Comprehensive



# GRRP Awards: 3 Different Cohorts

- Three paths (cohorts) for properties at different stages of development
- Simple application process to reduce barriers
- Accessible to owners at all levels of development expertise



## Elements Awards

Owner driven investments  
Specific investment menu  
Small awards (<\$750K)



## Leading Edge Awards

Owner/certification driven  
Ambitious green certifications  
Larger awards (<\$10M)



## Comprehensive Awards

Comprehensive property assessments  
Deep energy and resilience retrofits  
Largest awards (<\$20M)

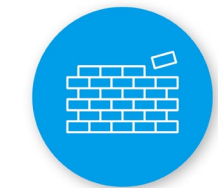
Designed to enhance efficiency and  
climate resilience in owner-driven  
recapitalization transactions

Designed to focus on properties with significant need,  
considering both energy consumption and climate risk.



# GRRP Award Application Timelines

Each cohort accepts applications quarterly over the course of 12 months



## Elements

- June 29<sup>th</sup>, 2023
- Sept 28<sup>th</sup>, 2023
- Jan 4<sup>th</sup>, 2024
- Mar 28<sup>th</sup>, 2024



## Leading Edge

- July 31<sup>st</sup>, 2023
- Oct 31<sup>st</sup>, 2023
- Jan 31<sup>st</sup>, 2024
- Apr 30<sup>th</sup>, 2024



## Comprehensive

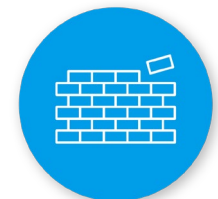
- Aug 31<sup>st</sup>, 2023
- Nov 30<sup>th</sup>, 2023
- Feb 28<sup>th</sup>, 2024
- May 30<sup>th</sup>, 2024

# Elements Cohort: Overview



## Elements Awards:

- Provide gap financing to add or preserve greener and/or more climate resilient items to existing transactions
- For HUD-assisted multifamily property owners who are materially advanced but not yet closed in a recapitalization effort
- Provide owner choice from among a pre-approved list of eligible items such as heat pumps, sustainable building materials, and clean backup power



# Leading Edge Cohort: Overview

## Leading Edge Awards:

- Designed for HUD-assisted multifamily property owners with the capacity to achieve a high-level green certification
- The owner may be at the preliminary or more advanced stages of planning a recapitalization of the property
- Receipt of full GRRP award requires the property achieving a green certification

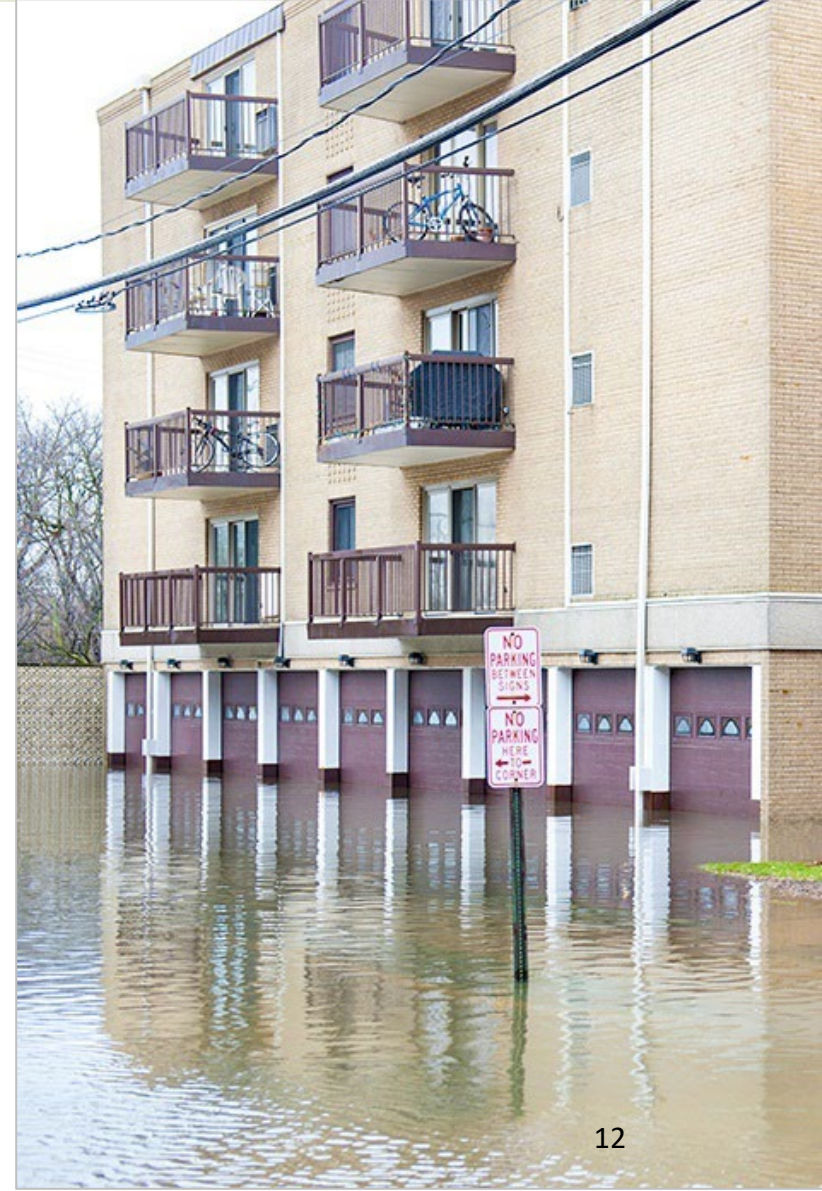




# Comprehensive Cohort: Overview

## Comprehensive awards:

- Fund deep retrofits touching utility efficiency, renewable energy generation, carbon emissions reductions, and climate resilience
- Provide a property-tailored, integrated design team approach to scope of work development. This reduces costs to the owner and brings in expertise to help design an impactful project.
- Are applicable to all eligible HUD-assisted multifamily property owners regardless of construction experience or greening expertise

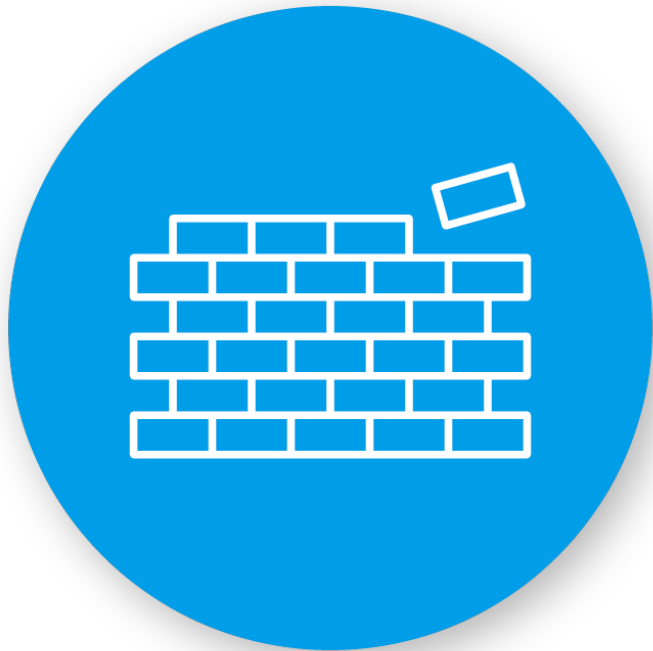






# Appendix Slides





## Elements Awards

- Modest awards (<\$750K)
- Owner driven selections of HUD specified investments



# Elements Cohort: Eligibility & Selection

## Eligibility:

- Rental assistance under eligible program
- Owners that are materially advanced but not yet closed in a recapitalization effort
  - Includes, for example, receipt of a tax credit reservation, submission of a complete FHA Firm Application, or a recent Section 811 or 202 Capital Advance awardee

## Selection:

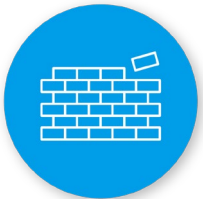
- Based on priority categories:
  1. Green Certification
  2. Whole-building Electrification
  3. Better Climate Challenge
  4. Priority Energy Community
  5. Better Buildings Challenge
- Subject to HUD region and non-metro set-asides
- Not to exceed 16 awards per owner or its affiliates



# Elements Cohort: Submission

## Included in Application Submission:

- ✓ Application form in Excel including pro forma and Sources & Uses demonstrating need for GRRP funds
- ✓ Narrative description of proposed work
- ✓ Third party reports: Capital Needs Assessment, environmental due diligence, bids for each Elements investment, and information about other financing sources
- ✓ Environmental Review documentation





# Elements Cohort: Example Property



A 25-unit PBRA property whose owner is pursuing an **FHA-insured first mortgage** to conduct necessary rehab. The property is in an area prone to **heat waves and drought**. The owner is a **Better Climate Challenge** participant.

## Application & Selection:

Owner submits the GRRP Elements application with a copy of their Better Climate Challenge partnership agreement and evidence that they have submitted a complete application for an FHA Firm Commitment.

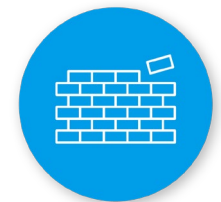
## Elements Investments:

The owner chooses to use GRRP award to add the following to the project's scope of work:

- A reflective coating on the roof to keep residents cool
- A rainwater harvest system to cut landscaping-related water bills
- A rooftop solar array, which was originally in the design but had to be cut due to rising construction costs

## Funding:

Owner takes the max GRRP Elements award of \$750,000 in the form of a grant



# Leading Edge Cohort



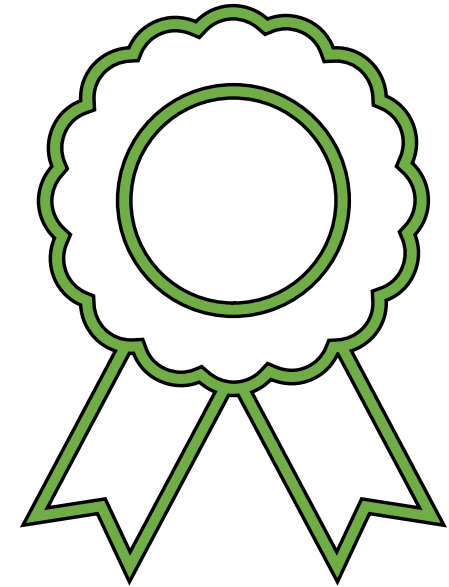
## Leading Edge Awards

- Medium size awards (<\$10M)
- Owner driven selections of investments
- Obtain a green certifications

# Leading Edge Cohort: Qualifying Green Certifications



- Detailed in the GRRP Leading Edge NOFO on [hud.gov/GRRP](https://hud.gov/GRRP)
- Eligible certifications include high-impact offerings from organizations such as:
  - EarthCraft
  - Enterprise Green Communities
  - Greenpoint
  - International Living Future Institute
  - LEED
  - National Green Building Standard
  - Passive House
  - PHIUS
  - U.S. Department of Energy
  - U.S. Environmental Protection Agency



# Leading Edge Cohort: Eligibility & Selection



## Eligibility:

- Rental assistance under eligible program
- Owners that will commit to achieving a Leading Edge certification
- Properties that have more than 50% assisted units at their property

## Selection:

- Based on the property's current energy efficiency as measured by MBEST
- Subject to HUD region and non-metro set-asides
- Not to exceed 12 awards per owner or its affiliates





# Leading Edge Cohort: Submission

## Included in Application Submission:

- ✓ Application form in Excel including pro forma and Sources & Uses demonstrating need for GRRP funds
- ✓ Narrative description of proposed work
- ✓ Team member identification and demonstration of team capacity and experience with selected green certification
- ✓ Architect and/or engineer's initial determination that the proposed project can be designed to meet the qualifying green building standard selected by the owner
- ✓ Multifamily Building Efficiency Screening Tool (MBEST)
- ✓ Environmental Review documentation



# Leading Edge Cohort: Example Property

A 50-unit PBRA property was **last renovated 20 years ago** and is still using older equipment dependent on **fossil fuel** sources. It is in an area of **hurricane risk**. The property owner wants to electrify, incorporate renewable energy, and fortify the building against high winds.

## Application & Selection:

Owner submits the GRRP Leading Edge application and completed MBEST, plans to incorporate wind turbines, and commitment to pursue a PHIUS ZERO REVIVE certification for the property. The property's architect has certified that based on the proposed scope of work, the property achieving a PHIUS ZERO REVIVE certification is feasible.

## Scope of Work:

Includes standard property upgrades, electric appliances and systems, electrical panel upgrade, wind turbines, FORTIFIED Silver roof upgrade, and high-impact windows. Scope is modeled to reduce energy consumption by 40%.

## Funding:

Owner takes the max GRRP Leading Edge award of \$60k PU (50 units X \$60k PU = \$3 million) as a surplus cash loan and pairs it with 4% LIHTC bonds.



# Comprehensive Cohort



## Comprehensive Awards

- Largest awards (<\$20M)
- HUD approved contractor to help Owners

# Comprehensive Cohort: Eligibility & Selection

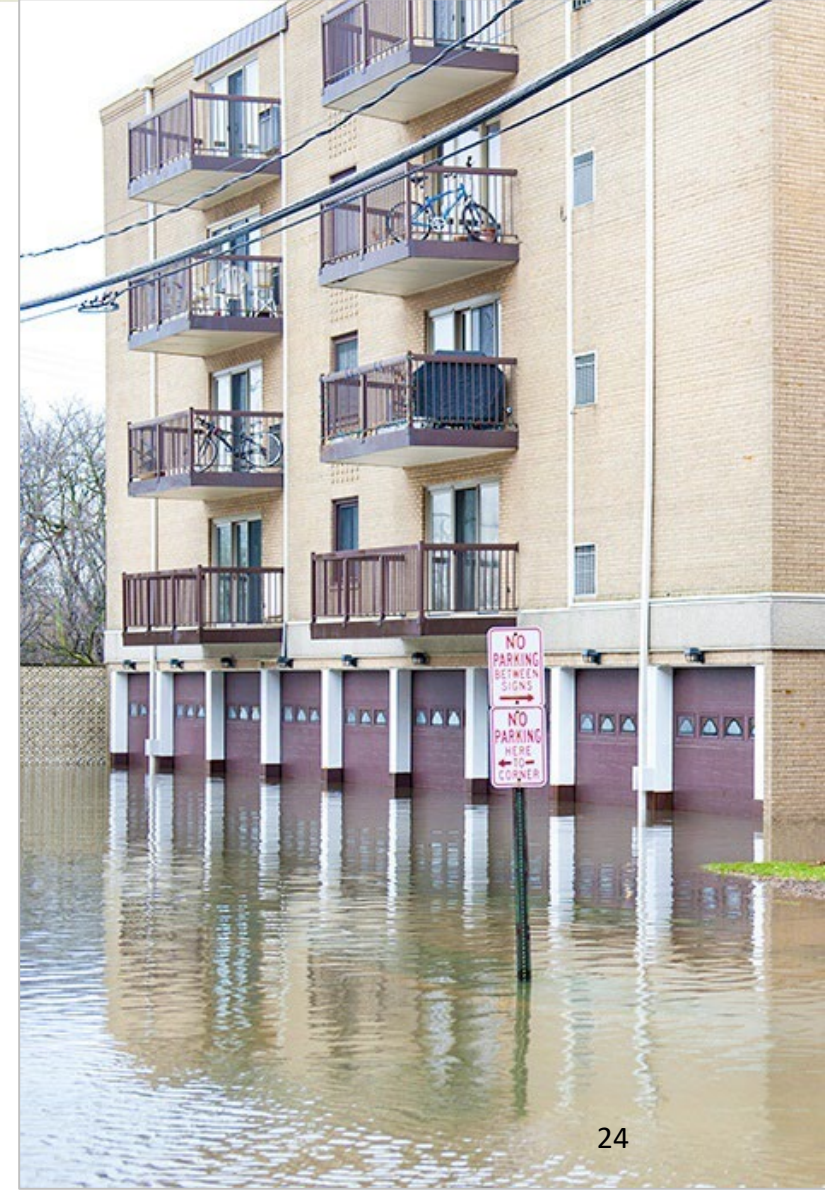


## Eligibility:

- Rental assistance under eligible program
- Properties that have more than 50% assisted units at their property

## Selection:

- Based on need as measured by
  - Energy efficiency: ENERGY STAR or MBEST
  - Climate Risk: FEMA's National Risk Index (NRI)
- Subject to MBEST set-aside
- Subject to HUD region and non-metro set-asides
- Not to exceed 20 awards per owner or its affiliates

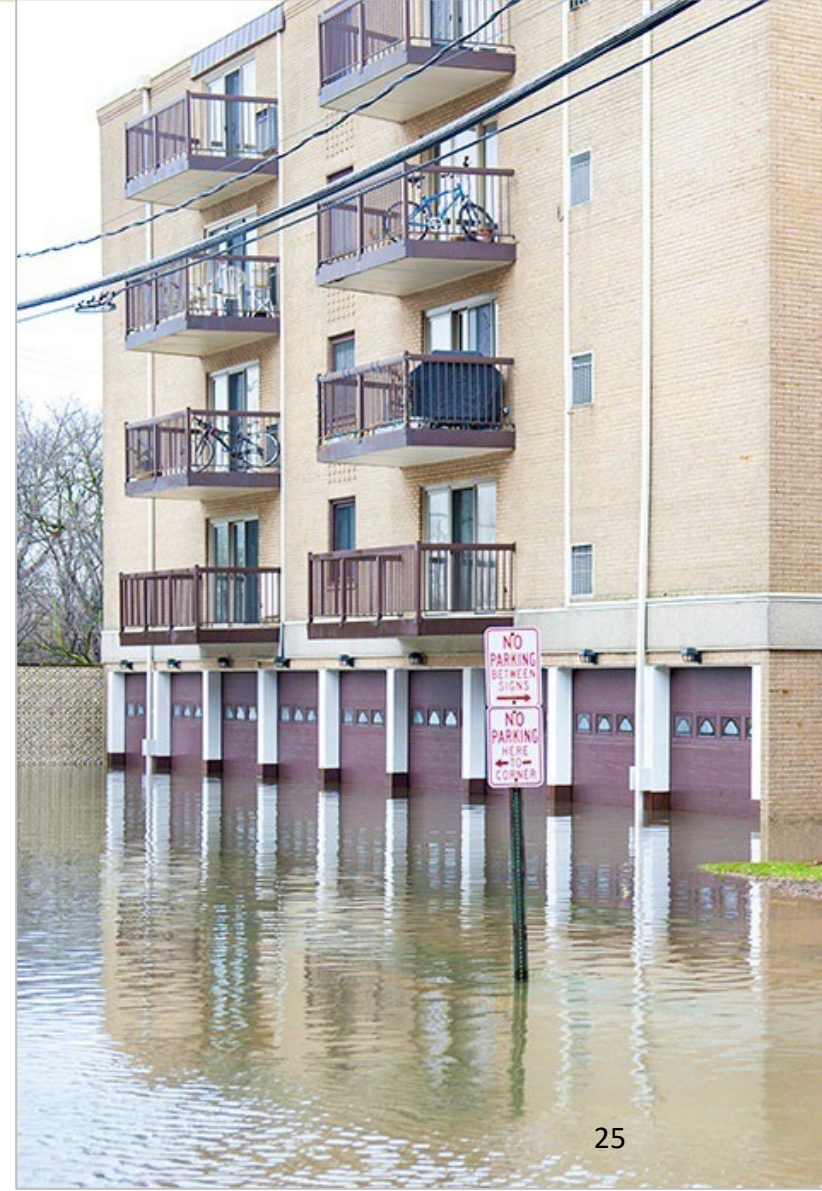




# Comprehensive Cohort: Submission

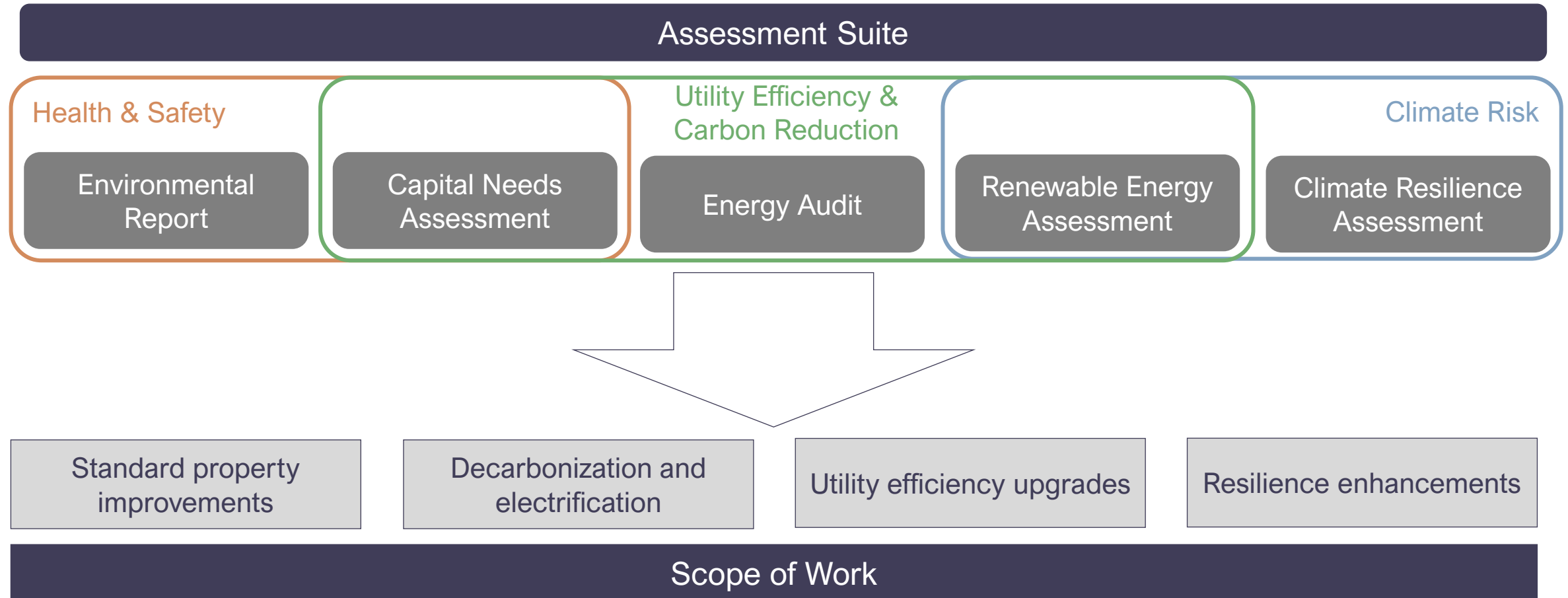
Included in Application Submission:

- ✓ Simple Excel-based application form
- ✓ Screen for energy efficiency:
  - ✓ EPA's Portfolio Manager ENERGY STAR score and Water Scorecard (cost reimbursement available) or
  - ✓ Multifamily Building Efficiency Screening Tool (MBEST)



# Comprehensive Cohort: Assessment Suite

Properties will undergo a series of GRRP-funded assessments with support from a HUD-provided contractor to develop the scope of work including standard improvements and green features

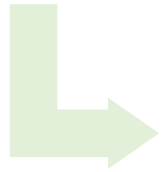


# Comprehensive Cohort: Funding Structure



Owner Paid Items

CNA-identified needs not considered Cost Share Items or High Impact GRRP-Paid Items



Cost Share Items

Greening of replacements/upgrades identified by CNA

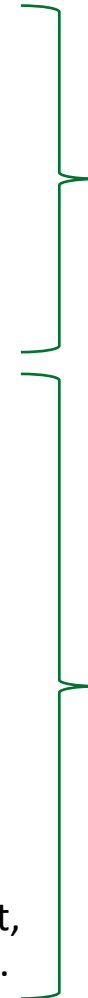


High Impact GRRP-Paid Items

Enhancements beyond CNA-identified needs

Transaction Costs

Tenant relocation, design services, project management, environmental mitigation, etc.



Owner contribution for standard upgrades that offer quick payback

Owners without sufficient capital may access HUD amortizing debt

GRRP funds for above-standard, innovative, and highly-impactful investments

Funded through GRRP surplus cash loans and grants



# Comprehensive Cohort: Example Property



A 100-unit HUD-assisted property was **last renovated 20 years ago** and is still using older equipment dependent on **fossil fuel** sources. It is in an area of **high flood risk**.

## Application & Selection:

Owner submits GRRP Comprehensive application with Portfolio Manager benchmarking. Property is selected due to high energy consumption and flooding risk.

## Scope of Work:

HUD-provided contractor assesses property's needs and proposes scope of work for up to \$8 million in GRRP funding (\$80k/unit \* 100 units).

- SOW: Standard property upgrades, HVAC and DHW electrification and relocation above flood elevation, electrical panel upgrade, solar panels & battery storage, rain garden.
- Cost share: Owner contribution for building components past useful life and for the cost of standard HVAC replacement; totals \$1 million

## Funding:

Owner takes surplus cash loan for GRRP award and funds owner contribution through Reserve for Replacement account and CDBG funds.





# Comprehensive Cohort: Example Property Funding Structure



**\$8,000,000 GRRP Award**

	Owner Paid Items	Cost-Share: Owner Paid	Cost-Share: GRRP Paid	High Impact GRRP-Paid	Transaction Costs	Total Retrofit
<b>Development Cost Description</b>	Standard retrofit costs	Cost of standard HVAC & DHW	Added cost of heat pump HVAC & DHW	Elevation of mechanicals, electrical panel upgrade, solar & battery, EV, rain garden	Resident relocation, architect, owner project management fee	
<b>Amount (total)</b>	\$1M		\$1M	\$6M	\$1M	<b>\$9M</b>
<b>Funding Source</b>	Owner's Replacement Reserve Account + CDBG		GRRP Surplus Cash Loan			



# Steps to Apply for a GRRP Award



Review the NOFO, Notice, and other resources on [hud.gov/GRRP](https://hud.gov/GRRP)

Download the cohort-specific Excel application form from [hud.gov/GRRP](https://hud.gov/GRRP)

Register for a UEI number on [sam.gov](https://sam.gov)

Most Owners of HUD-assisted properties will already have this

Complete the Excel application form for the Cohort you are applying to

Log into [grants.gov](https://grants.gov) and complete the “Workspace Application”

Upload the Excel application form and all required attachments

Submit via [grants.gov](https://grants.gov) before the deadline

# Additional Resources

- Read the NOFO and Notice
- Find FAQs, fact sheets, benchmarking resources, and much more on [hud.gov/GRRP](https://www.hud.gov/GRRP)
- Attend office hours (see website for timing)

